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ABSTRACT

This study investigates the effects that the abundance of resources in this country has had on the urban development of the country, upon its pattern of population distribution, and upon the conscious effort of the Venezuelan government to reshape its population pattern by the planning of new urban centers and by the opening of previously undeveloped areas to settlement and industrialization. Included in this study are the following: (1) regional development policy in Venezuela; (2) urban planning in Ciudad Guayana; (3) a study of Caracas; (4) other urban centers; (5) FUNDACOMUN; (6) the international agencies in Venezuela; and, (7) resources and people. [For related documents in this series, see UD 013 731-733 and 013 735-744 for surveys of specific countries. For special studies analyzing urbanization in The Third World, see UD 013 745-UD 013 748.] (Authors/SB)

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An International
Urbanization Survey Report
to the Ford Foundation

Urbanization in Venezuela

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This working paper was prepared as supportive material for an International Survey of Urbanization in the developing countries, which was organized by the Ford Foundation late in 1970 and was completed late in 1972. The purpose of the Survey was to provide findings and recommendations to guide the Foundation in making informed judgments on its future participation in programs related to the urban condition in the less-developed countries.

The Survey was directed neither to perform nor to commission original research. Its work was to be reportorial, analytic, and indicative of program choices. To serve these objectives, the Survey was essentially a field operation in which the staff travelled widely in the countries where the Foundation maintains field offices and drew not only upon its own observations but upon the experience of Foundation personnel assigned to the developing countries. The staff's own field notes on phases of urbanization in specific countries were expanded into working papers both to record observations and to clarify the deductive processes and the analyses of data which were to form a demonstrable basis for the Survey's conclusions. Additional working papers were provided by Foundation personnel with a depth of field knowledge, and by consultants expert either in specific countries or in topics of special interest.

The Survey working papers and special studies were originally intended only for internal use. It became evident, however, that the body of material had values which argued for wider exposure. Accordingly, the Foundation is publishing the papers for those with special country or topical interests and for those interested in the material as a whole.

The working papers carry disclaimers appropriate to the circumstances of their preparation and to the limitations of their original purpose. The reader should not expect to find in them either the product of original research or a comprehensive treatment of the processes of urbanization in the particular country. Rather, they are occasional papers whose unity derives from their use as exemplary and illustrative material for the Survey.

But unity of form and substance is not the measure of their value. Each report and special study is an essay on some aspect of urbanization in the developing countries. In most instances, they are what a good essay should be—unmistakably personalized and therefore reflective of the insights and the convictions of informed authors.

The International Urbanization Survey

John P. Robin, Director
Colin Rosser
Frederick C. Terzo

ED 079453

Urbanization in Venezuela

by

John P. Robin and Frederick C. Terzo

Consultant: Jaime Valenzuela

International Urbanization Survey

The Ford Foundation

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URBANIZATION IN VENEZUELA

INTERNATIONAL URBANIZATION SURVEY

INTRODUCTION

If, as F. Scott Fitzgerald wrote, the very rich are different from the rest of us, Venezuela should be a very different kind of country than its Latin American neighbors, and indeed, than most countries in the world except those which are pleased to call themselves fully developed. It has a per capital income of $900 per year--which is more than that of the Republic of Ireland and more than that of Greece ($651) and Spain ($707). Its Gross National Product, which is shared by about ten and a half million people, is 8.7 billion dollars. Colombia, with more than twice Venezuela's population, must make do with a GNP of 5.0 billion dollars. Peru and Ecuador together have a smaller GNP than Venezuela alone; Peru's GNP has reached only 4.0 billion dollars and Ecuador's is only 1.6 billion.

Venezuela has a very favorable balance of trade. It has a very stable currency. Its industrial workers are well paid by most standards, with an average monthly wage of $180. There are 550,000 motor vehicles in the country, or one passenger car for every 25 persons; in Colombia the ratio is one to 182, and in Peru it is one to 59.*

* The figures cited in these opening paragraphs are taken from The New York Times Encyclopedic Almanac 1971. New York, 1969. They are subject to correction and updating, but the relative position of the countries would not, in all likelihood, be substantially changed thereby.

Nor is income distribution so markedly skewed as is sometimes thought. The 5 per cent of Venezuelans with the highest incomes get 26 per cent of the national income; the 50 per cent with the lowest incomes get only 14 per cent. Which is shocking enough until one looks at the United States and the United Kingdom; in those two countries, the upper five per cent of the population by income receives 20 per cent of the total, while the lower 50 per cent gets 23 per cent. The disparity between the countries is not as great as one would have imagined, and the income available for the "middle class" in Venezuela is substantial.*

The source of the country's wealth is, of course, its oil. It is the world's third largest producer, following only the United States and the U.S.S.R. Only 20 per cent, however, of the country's GNP is not attributed to mineral production. Our interest in Venezuela is not in its relative wealth as such, but in the effects which such abundance of resources has had on the urban development of the country, upon its pattern of population distribution, and upon the conscious effort of the Venezuelan government--with investment monies available to it that are matched in few developing countries--to reshape its

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* These are the figures cited in the Seers Mission Report: Seers, Dudley et. al. Colombia Employment Programme. Geneva, ILO, 1970.

population pattern by the planning of new urban centers and by the opening of previously undeveloped areas to settlement and industrialization.

The country's population has been heavily committed to its coastal fringe (unlike Colombia, Peru, and Ecuador with their thickly settled Andean highlands). The coastal areas are also Venezuela's principal oil-bearing lands, and the country's exploitation of its oil resources, beginning in 1918, strengthened the coastal zones even where they had been previously, (as the Lake Maracaibo region had been) classified as among the poorest and least important areas of the country. Maracaibo as a city had 40,000 people in 1917; today it has an estimated population of more than 700,000.

The form of settlement in Venezuela is not unlike that of California, with its population heavily concentrated on the coast and within the valleys of the coastal ranges. The large cities begin with Maracaibo on the west, jump the narrow mouth of the lake of that name to Coro, continue east to the megalopolis that is forming around Caracas, and extend east again to Barcelona-Puerto La Cruz, after which there is the emptiness of the Orinoco delta. Venezuela has 11 urban centers with populations of more than 100,000; six of them are within a few miles of the Caribbean sea.

Venezuela has become a highly urban country; an urban majority is certain to be shown in the 1971 census,

whose preliminary returns may be available before the end of the year. The census was taken on March 15.

According to 1967 estimates*, the urban concentrations of more than 100,000 population had a combined total of four million people, or 40 per cent of the country's total. The 1961 census classified as urban all settlements of 2,500 or more, and came out with an urban-rural ratio of 67.8 per cent urban to 32.2 per cent rural. By raising the urban threshold to places of 5,000, the national urban percentage became 57.6. The United Nations urban standard of 20,000 reduced the urban quotient of the population to just less than a majority: 47.1 per cent.** Projections which use the 5,000 classification give Venezuela a 1970 urban percentage of 68.2 per cent, carry it to 75.9 per cent in 1980, and predict a total population of 28,146,000 in the year 2000, with 86 out of every 100 inhabitants living in an urban place.***

The speed of urbanization has been very rapid. A generation ago, in 1930, Venezuela had only six cities of

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* Sociedad Venezolana de Planificacion. Cuadernos 62-63. Caracas, April 1969.

** Yabour de Caldera, Elizabeth. La Poblacion de Venezuela: Un Analisis Demografico. University de Oriente. Cumana, November 1969.

***Universidad Catolica Andres Bello, Centro de Estudios del Futuro. Poblacion. Caracas, 1968.

more than 50,000 inhabitants; their combined population then was less than that of Caracas alone in 1970. The country's rate of population growth is itself very high, but its rate of urban concentration (and as we have noted, the zonal concentration of the major urbanizing areas) has been of startling rapidity. If present trends continue, it is probable that two out of every three Venezuelans will be living in a city of more than 100-000 population by 1980. The Caracas-Maracay-Valencia megalopolis alone will hold more than 30 per cent of the country's total population.

Away from the coast, there are as yet no great urban centers in formation. Barquisimeto, with an estimated population of 288,000, is the largest of the inland urban centers; Ciudad Guayana, with a population of 130,000, is the newest. Guayana, far to the south and east of the country's present center of gravity, is one of the world's best advertised efforts to change the settlement and development pattern of a nation by a massive program of channeled investment. Because the investment decisions were not only those of resource opportunity (iron ore and other minerals, a great river navigable deep into the interior, another river with enormous potential for hydroelectric development) but of stated public policy to encourage regional growth, the history and the prospects of

Ciudad Guayana and its region are of great interest to us. This interest is heightened by the creation of a special national agency, the Corporacion Venezolana de Guayana (CVG), to plan and execute the regional development program and the employment of an international team of advisers, recruited by and administered by the Harvard-M.I.T. Joint Center of Urban Studies, to assist in the planning of the new city which was selected as the urban focus of the developing region.

We will therefore devote a considerable portion of the country survey of Venezuela to Guayana, which we were able to see on its own grounds. We will also--as in all the survey reports--hope to discuss the urban condition generally as we found it in our much too brief visit to the country; deal with a very special agency peculiar to Venezuela called FUNDACOMUN*; and speculate as to the nature of the two-tier society, ultra-modern and traditional, which flow of such easy money as oil revenues may bring to a developing country in its cities and in its national life.

REGIONAL DEVELOPMENT POLICY - A CASE STUDY OF VENEZUELA

The above sub-title should be surrounded by quotation marks

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* Fundacion Para el Desarrollo de la Comunidad y Fomento Municipal

because it is the title of a book by John Friedmann, a distinguished regional analyist and planner. His book and one by Lloyd Rodwin have been read carefully by us in preparing this initial survey report, and can be interpreted by us on the basis of our field survey to the Guayana site and our own reference to various documents issued by the CVG. To quote initially from Friedmann:

> Venezuela may in many ways be considered the perfect prototype for a study of regional policy. The spatial structure of its economy has a classical simplicity. Until recently, it was molded chiefly in the image of the center-periphery model. Political power, wealth and population were heavily concentrated upon Caracas, while the periphery, excepting the oil regions, deteriorated out of mind of Venezuela's central decision makers.
>
> This basic simplicity was undisturbed by political and cultural cleavages that in so many other countries (India, Canada, Nigeria) create a fierce antagonism among regions. Venezuela's government is a unitary one, and its twenty-three provinces have no independent political existence. Since they have only small resources of their own, they are unable to affect their economic welfare in any ways that are significant. To a large extent, local populations are still the creatures of central policy determination.
>
> When Venezuela carried through its decisive social revolution in 1958, a democratic and progressive government initiated a system of national planning that quickly gained a high reputation throughout the continent. At about the same time, the government also launched an important program of regional development in Guayana.*

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* Friedmann, John. Regional Development Policy: A Case Study of Venezuela. Cambridge, the M.I.T. Press, 1966. p. 123.

Rodwin puts it this way:

> New policies sought to establish modern basic industry and thereby reduce the dependence of Venezuela on petroleum. A complementary aim was to promote an urban growth zone in an area other than Caracas or Maracaibo, and thus provide a new migration target for the population leaving the poorer regions. Both aims found remarkable expression in the development of Ciudad Guayana and its surrounding region.*

Sir Walter Raleigh found the Guayana region magnificent when he sailed up the Orinoco in 1595. He saw and marvelled at the falls of the Caroni, did some bird-watching, and found "the air fresh with a gentle easterly wind; and every stone that we stooped to take up promising either gold or silver by his complexion." The stones did not fulfill their promise, and his failure to produce the promised riches led him to the Tower and the block. No one else used Raleigh's salesman's language (although the Callao gold deposits were productive in the nineteenth century) until the 1950s, when the iron ore bodies at El Pao and Cerro Bolivar were brought into commercial mining for subsidiaries of Bethlehem and United States Steel.

The ore went to Sparrows Point in Maryland and to the Fairless Works on the Delaware via the Orinoco (improved

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* Rodwin, Lloyd. Nations and Cities: A Comparison of Strategies for Urban Growth. Boston, Houghton Mifflin, 1970. p. 33.

for ore carriers) from the small river town of San Felix. The mining people built their neat "company town" at Puerto Ordaz. The "old government" sponsored the construction of an integrated steel plant on Venezuela's own soil, and the development of power from the falls of the Caroni to supply it and the nation with energy.

The new regime took these elements of development and decided to use them, not as disparate projects, but to combine them into a regional program, as Friedmann and Rodwin have described. The region was to have a planned headquarters city first called Santo Tome de Guayana, now more secularly called Ciudad Guayana.* The new city, encompassing the existing settlements of San Felix and Puerto Ordaz, might have, it was thought, 400,000 inhabitants by 1975. That will not happen, although the integrated steel plant is functioning and to be expanded, the bridge system is in place, an aluminum plant is operating, a pulp and paper mill is soon to be constructed, an Intercontinental Hotel overlooks the rapids of the Caroni, and the turbines are producing abundant energy from the completed Guri reservoir and dam.

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* The explanation is that when the city was founded officially on July 2, 1961, it was with the nombre historico of Santo Tome de Guayana but that for practical reasons it has become better known as Ciudad Guayana. The older name still is to be encountered in the literature.

The Corporacion Venezolana de Guayana is in charge of all this. It is an autonomous public body, with sumptuous headquarters in the Shell Oil Company's office building in Caracas.

We cannot challenge the decision of the Venezuelan Government to invest so heavily in a major effort to diversify both the sectoral and spatial base of its economy. It has an obligation to use its good fortune in having a conjunction of natural resources which permit it to develop its own steel industry, and to develop it on a competitive base. It seems wise, also, if transportation and other economic factors permit, to cluster new industrial developments in a diverse series of regions, of which Guayana may be the first, rather than concentrate them further in the Caracas megalopolis. We assume that steel and aluminum and processed wood pulp can be produced in the Guayana region, where the raw materials and energy resources are abundant, as cheaply as they could be elsewhere, and that the transportation system, installed or to be developed, will distribute them to external and internal markets without pricing penalties inflicted by location.

By 1968, the total public and private investment in the Guayana regional program reached $1,320,000,000. According to a CVG report, "The Guayana Economic Program, Key to the Development of Venezuela," the 1965--68 invest-

ment in Guayana took 10 per cent of the total national development expenditure for these years. Guayana claimed 25 per cent of Venezuela's investment in new industrial capacity, 10 per cent of its total investment in resource development, and 5 per cent of its total investment in housing and urban infrastructure.

This is a heavy investment which may be justified by the new industrial's contribution to Venezuela's economy. But the Guayana experience to date does not indicate that labor-intensive industries produce rapid urban growth, and that new planned urban centers do not necessarily grow as planned.

The original planning estimates for Ciudad Guayana projected a population of about 100,000 in 1966 and of 400,000 by 1975. These estimates were later changed, Rodwin says, to 90,000 by 1966 and 221,000 by 1975. Friedmann, publishing in 1966, projected a population of 600,000 "in the late eighties." A preliminary census carried out in July, 1969, gave the city a population of 115,725.* The ten year report of the CVG**, which

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* CVG. La Ciudad. Informe Anual Separate. Caracas, CVG, 1969. p. IV-12.

** CVG. Guayana a los 10 Años de la Corporacion Venezolana de Guayana 1960-70; Caracas, CVG. Pages unnumbered.

included 1970, gives the population as 140,000. The 1971 census will establish a firm figure but planners now on the ground believe the population growth has slowed (with perhaps some out-migration after the construction peak was reached) and estimate present population at about 130,000. Some of this growth antedated the official creation of Ciudad Guayana, coming in the 1950s with the opening of the iron mines and continuing with the construction of the steel plant. By 1962, the population of the urban settlements included in Cuidad Guayana was estimated at 50,000.

The official planning figure is now set for 300,000 in 1980, and the present development plan for Ciudad Guayana is based on that assumption.

The CVG engaged the Joint Center for Urban Studies of the Massachusetts Institute of Technology and Harvard University to act as its consultants in the planning and development of Guayana. The relationship continued for five years, after which "the Joint Center left Guayana, parting on very amicable terms with their associates at CVG."* The project is therefore not only an example of planning for regional development and for a new city, but of international collaboration in the effort.

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* Rodwin, Lloyd. op.cit., p.67.

Guayana was born as a planning region on December 29, 1960, when President Romulo Betancourt issued Decreto Numero 430 establishing, by publication in the Gaceta Oficial, the Corporacion Venezolana de Guayana, which is responsible for:

> Studying the resources of the Guayana, both in the area of development, as well as outside the area, when the nature of the resource makes this necessary;
>
> Studying, developing and organizing the exploitation of the hydro-electric potential of the Caroni River;
>
> Programming the integrated development of the Region in line with the priorities and the framework of the Plan de la Nacion;
>
> Promoting the industrial development of the Region, through both the public and private sectors;
>
> Coordinating the activities in the economic and social field carried out by the various public agencies in the Region;
>
> Contributing to the organization, programming, development and operation of those public services necessary for the development of the area;
>
> Carrying out any other task delegated by the National Government, including operations outside the area where there is a close linkage to the development program of the area.*

Considerable governmental reorganization was involved in the creation of CVG, which had been preceded by a Research

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* CVG. The Guayana Economic Program, Key to the Development of Venezuela. Caracas, CVG, 1968.

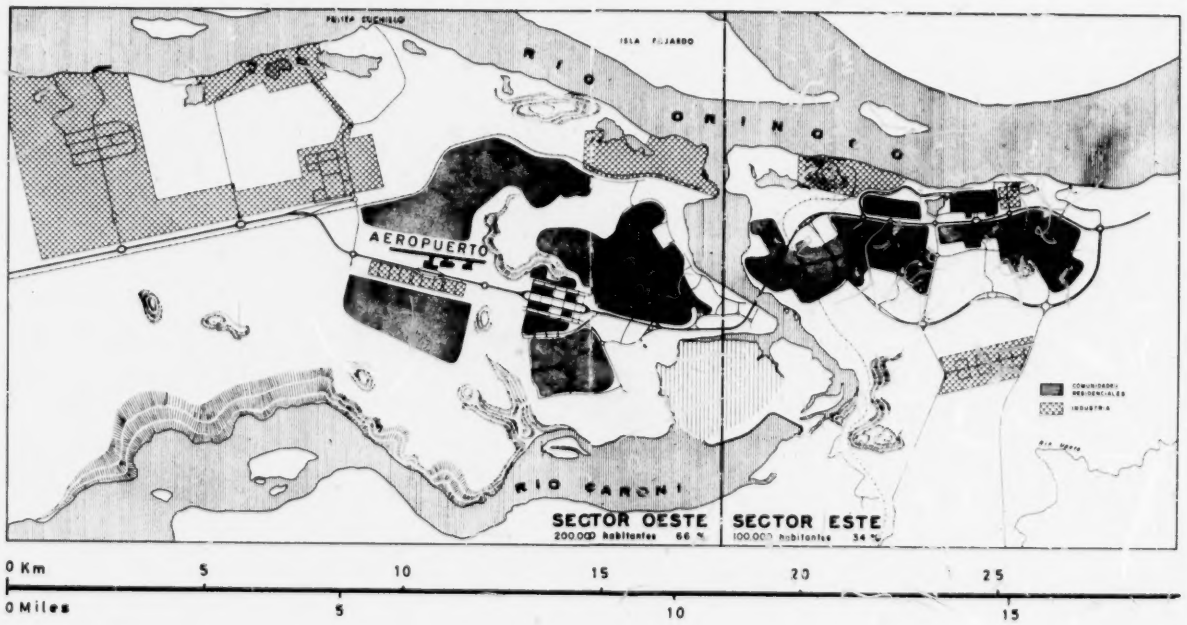
Commission for the Electrification of the Caroni in the Ministry of Development, by the Government owned Venezuelan Iron and Steel Authority, and by the President's Commission for the Guayana Region. CVG consolidated the functions of these predecessor public bodies and those of the privately sponsored Iron and Steel Syndicate.

The Assembly of the State of Bolivia on June 29, 1961, created a Distrito Municipal Caroni with an area of 1,799 square kilometers, and on the following day it decreed the founding of Ciudad Guayana as an entity within Caroni District. On July 2, 1961, the President made it official by approving the Assembly's action, and that day will be remembered as the founding date for the city.

Ciudad Guayana included within its boundaries the existing towns of San Felix and Puerto Ordaz, which were and are its nuclear urban elements. The Government of Venezuela gave 17,500 hectares of public land to the CVG for developmental purposes, to which CVG added 18,500 hectares by its own purchases, giving it control of 36,150 hectares to serve as the base for the new city. CVG had created its own Division de Estudies, Planificacion y Investigacion to "among other functions, determine the demographic growth of the future city and to its integral planning and its development strategy." The Division became the immediate agency of collaboration with the Joint Center.

CIUDAD GUAYANA
PLAN FOR 300,000 POPULATION

FIG.1



CIUDAD GUAYANA - THE URBAN PLANNING EXPERIENCE

This time, the above sub-title is our own The Plano Director for Ciudad Guayana as distributed by CVG shows a linear city extending for 15 miles from the wood pulp mill at the extreme east of San Felix, adjacent to its Orinoco river port, to the steel plant at the extreme west. Ciudad Guayana is bisected by the Caroni river which meets the Orinoco there, after flowing for six hundred miles through the wilderness of southeastern Venezuela. San Felix is on the east side of the river, connected with Puerto Ordaz and the development area to the west by a bridge which was one of the first elements of development in the new city.

It is also an element of regret. The planners from the Joint Center saw the bridge as an opportunity to build a structure which would be symbolic of the new city, "as meaningful for the residents of Ciudad Guayana as the Ponte Vecchio was for the people of Florence."* But they came too late to effect the matter for the bridge had already gone well into final design, which the planners' judgment was neither symbolic nor sufficient to meet anticipated traffic needs. The best they could do was to get separate lanes installed for bicycles and pedestrians. Rodwin**

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* Rodwin, op.cit., p. 38.

** Rodwin, Ibid., p. 67.

comments on "emotional outbursts sparked by the design of a bridge" and those of us who have tried to reconcile design quality with the pressures of time and money can sympathize with all parties to the issue.

The planners did save Punta Vista, which overlooks the last rapids of the Caroni, for a park and cultural center (culture including the site of the Intercontinental Hotel) lying on the far side of the bridge. The bridge itself is one element of the Avenida Guayana, which is to become the spine of the linear city. Alta Vista, the civic center which they propose for the city, is still undeveloped except for the local headquarters building of CVG itself, and the proposed shopping center site, still further to the west, is now open land. The city has simply not grown as fast as the planning staff thought it would, and it has grown incrementally--within or adjacent to existing settlements--instead of leap-frogging them to establish the new residential and shopping areas where (according to plan) they are ultimately to be developed.

Ciudad Guayana in 1971 is <u>not</u> the model city which planners, in the nature of things, hope always to achieve. It is essentially a more populous San Felix, the old town where 74 per cent of the inhabitants of Ciudad Guayana still live. For the future growth pattern, CVG hopes to shift the population ratio to a 55-45 division between the

populations that live on the west side of the Caroni and those who stay on the east. The earlier hope was that a ratio of 66-36 could be realized. To push the city's growth in the desired direction, CVG has a four point strategy:

1. Coordinate investment activities of other agencies so that they would more precisely reflect the proposals suggested in the plan;
2. Promote the development of the Alta Vista Center and its surrounding residential areas;
3. Open the western development zone to all income levels by providing a wider range of housing opportunities;
4. Limit, if not eliminate, illegal residential growth in San Felix.

Housing development in Guayana reflects either a sluggish response by the public agencies upon which CVG depends for housing, or a more sluggish demand than had been anticipated at the levels of cost at which new housing can be provided. In any case, only 8,850 dwelling units have been built by the public and the private sectors. This total includes construction sponsored by such public bodies as the Banco Obrero; FUNVICA, a local recipient of FUNDACOMUN housing funds; the Division de Malariologia, and the Fundacion de la Vivienda Popular. These publicly

sponsored units were for families with incomes of more than 500 bolivars a month, approximately 110 dollars. In addition, 4,600 housing sites made ready for self-help shelter development were available to families with incomes of less than 500 bolivars per month by FUNVICA's Programa de Mejoramiento Urbano Progresive, known as MUP.

¿POR QUE CIUDAD GUAYANA?

The sub-title asks "why Ciudad Guayana?," and is a rhetorical question asked and answered in the CVG's ten year report. It is an illuminating passage which we quote in full:

> We observe at present in the whole world a process of urbanization which is manifested principally by the concentration of the population in the great cities. Two principal factors give rise to this phenomenon: the actual methods of production and the attraction, always growing stronger, which the great city offers to its inhabitants through its facilities for living.
>
> An important city offers to industry the following advantages: the industry is freed of a heavy investment in housing and in services; the city provides an ample labor market and the ability to attract and train all required personnel; it makes possible the agglomeration, at a higher operational level, which permits the utilization of common services and of the industrial specialization which together contribute to lower costs of production.
>
> A city at a scale of no less than 300,000 inhabitants is necessary to provide to its population those full opportunities which permit the individual to make a choice of his employment and activity, to become educated and qualified as he prefers, and to achieve the housing standards and the services which are required for family life.

> Ciudad Guayana is then the response to the necessity of creating an important and stable urban nucleus, capable of promoting and accelerating the utilization of the hydro-electric, mineral, agricultural, and forest resources of the whole region of Guayana, offering at the same time improvements in the social and economic order.*

This is a utilitarian view of the city's function, from an organization whose primary goal is economic development, and which can more readily deal with the relative simplicity of mono-purpose industrial and resources development projects than with the complexities of constructing and directing an urban center. Differences arise, therefore, between the CVG, with responsibilities in an investment program in which the city was viewed as an instrument and not a goal in itself, and the urban specialists who are concerned with the quality of city life as well. Rodwin says:

> Consensus, however, disappeared when the discussion turned to more specific questions about housing, schools, and local government. On still other matters, there was never any clear agreement. These involved sensitive social questions such as the relative emphasis to be placed on employment as opposed to growth; participation and decentralization as opposed to efficiency; and general welfare objectives as opposed to development. Interestingly, CVG generally stressed economic development goals, centralized administration, and maintenance of the national image of the agency, whereas the Joint Center placed more emphasis on welfare goals, decentralization, and local participation in the decision-making process.**

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* CVG, Guayana a los 10 Anos de la Corporacion Venezolana de Guayana, CVG, Caracas 1971, (n.p.)

** Rodwin, Ibid., pp. 41-42.

We visited Guayana on a weekend, when cities do not exhibit their typical weekday liveliness and urban attitudes. But Ciudad Guayana has obviously not yet become the vibrant unified city which its planners sought to provide for and achieve. CVG has not moved its own main headquarters to the city, and while there is much unused investment in such infrastructure as public utilities and streets, there is a very slow increment in the development of the city's surface amenities such as parks, recreational facilities, and its cultural base. There is, for instance, an as yet undeveloped zoo, for which the management must engage a specialist from Caracas to fly in from time to time to identify its few animals. The open space at Alta Vista was planned and installed as flat paved area until a senior official from the capital complained (and rightly, considering the climate of Guayana) about its lack of trees and shade. The viewing area at the Guri dam is a dismal public space, on what could be a prime recreational site. These are little things, but it is thousands of such details which shape a city for the enjoyment of its residents.

The summing up would be that the development of the Guayana region as a contributor to Venezuela's economy is spectacular. The urban successes at Ciudad Guayana (with all the resources and expertise that were applied to it) are at best modest ones.

REGIONAL PLANNING - FACT AND THEORY

Whatever the present limitations of Ciudad Guayana as an urban center, there can be no reasonable doubt that CVG has succeeded brilliantly in maintaining an impetus of resources development and economic productivity in the Guayana region. CVG is a "sharp" operation in an outward corporate sense: it has lavish offices, handsome publications, specialized and competent public relations services, and we would judge from the record a persuasive way with public and private investors. If CVG will not go down in history with Peter the Great or Alexander of Macedon as a founder of a great city, it knew that a city was needed and it is (with missed opportunities and perhaps mistaken priorities) constructing one. Its Planta Siderurgica del Orinoco (steel mills) represents an investment of about $440,000,000 with annual product sales of $110,000,000 and employment for 6,000 people. Its power developments, first at Macagua and then at Guri, represent 40 per cent of the installed capacity for the generation of electricity in Venezuela. The development of additional units at Guri will raise the installed capacity to more than two million kilowatts by the end of this decade, when Guayana will have not less than 50 per cent of the nation's installed capacity. This power is already being sent to Caracas.

Alumino del Caroni, S.A. (ALCASA) is a joint venture of CVG and Reynolds International, Inc. It has a present installed capacity of 22,700 metric tons of primary aluminum per year, with a planned expansion program which will permit it to meet Venezuela's own needs and to produce for export to other South American countries. A pipeline for natural gas (Gasoducto Anaco-Ciudad Guayana) was completed in 1970, which brings a gas supply to the Guayana industrial zone from a point of origin that is 228 kilometers to the west and north. It has installed a cement plant, and a pulp processing factory is under construction. Softwood plantations of Caribbean pine are being set out over an area of 60,000 hectares, for the purpose of supplying a pulp and paper industry with this superior wood on a sustained yield basis. Ten million trees will be planted by the end of 1971.

CVG's growth pole map now shows four urban centers, the largest of course being Ciudad Guayana, the centre industrial. Ciudad Bolivar, the state capital and traditional urban point in the Guayana region, is designated as the centro de servicios administrativos; El Tigre, to the northwest, is the centro servicios petroleros; and the fourth center, now under CVG's planning and development aegis, is Tucupita in the Orinoco delta. It is classified as a centro de servicios agropecuarios, i.e., a center of

farming and livestock production. CVG has a program of agricultural development in the delta area known as La Isla de Guara. This agricultural development, in what are described as rich deltaic lands, is to be complementary to the industrial Ciudad Guayana area, satisfying the market to be developed there for agricultural products. The river town of Tucupita is at the edge of La Isla de Guara and is now accessible by paved highway. Tucupita has 12,000 people today; the three stages of planning for its future bring it successively to 25,000, 36,000, and 50,000 inhabitants. No time period is set in the CVG ten year report.

Friedmann* rightly says that Guayana has been a "special case," and if lawyers can say that hard cases make bad law, planners can argue that special cases make their own rules. He forecasts that the effects of Guayana will be felt primarily in Venezuela's eastern region, predicts an eventual decline in importance for Ciudad Bolivar (which is not all that important now) and a strengthening of "regionally important" towns such as Upata, Maturin, and Tucupita because of demand for their goods and services which will be generated at Ciudad

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* Friedmann, op. cit. p. 224.

Guayana. He projects a Guayana Development Zone, a Central Development Zone, and a Coastal Development Zone for eastern Venezuela, and that those areas will have a pattern of flows that will bind them into a tight economic subsystem of the national economy. By the late 1980s, after roads and major bridges have been constructed, he predicts that eastern Venezuela will be dominated by three large metropolitan centers. Barcelona-Puerto la Cruz, "with its diversified economy, may have grown to within 900,000 in population; Santo Tome de Guayana to about 600,000; and Maturin to perhaps ten times its present size, or 500,000. All three of these metropolitan regional economies would have reached the 'take-off' stage."* And in the meantime, Friedmann predicts the coastal states of Sucre and Nueva Esparta will have:

> experienced a renaissance of their own. The rise of metropolitan centers along their perimeter, together with expansion of their own cities (Cumana, Carupano, Porlamar) will have absorbed a large part of their population...Nearby urban markets can be expected to exert a generally positive influence and lead to gradual adjustments in agriculture, including heavier capitalization. The tourist industry will be stimulated as the region and the country as a whole become more opulent... In brief, the fortunes of this area, appearing bleak and hopeless now, may well begin to be reversed before the end of the century.

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* Friedmann, Ibid., p. 194.

But the achievement of this happy state of affairs, he writes further is "neither automatic nor, to a significant extent, within the range of the capabilities of the Guayana Corporation."

Because in this survey document we are beginning to consider some general statements as to urban and regional development, Friedmann's "practical planner's wisdom" is worth noting:

1. Learn to live with an imperfect world that is perfectible in the part only, never in the whole.

2. Learn to appreciate that some improvement is better than none at all.

3. Do not try for symmetry in the design of solutions: tailor solutions to local circumstances and needs.

4. Do not attempt to solve all problems at once; do not even try to understand them all; you will find yourself plumbing a bottomless pit. Concentrate on the truly important things first. Some problems may vanish if you leave them alone.

5. Proceed stepwise, incrementally, along the path of least resistance: among the important things to do, turn first to those that are easy to solve.

6. Do not be overly concerned with overlapping functions, fuzzy boundaries, conflicting jurisdictions. Some redundancy may be worthwhile, uncertainty makes one proceed with caution, competition is also a problem-solving device.

7. Step back occasionally to regard your handiwork: assess the total situation with a keen, objective eye, divine the changes in values that have occurred, if necessary redefine your problem, clarify your objectives, critically review your strategy and tactics.

   These rules are not meant as an invitation to license. They are not easy to obey and yet obtain

> the best results achievable. Their purpose is to bring the planner to an awareness of some features of the real world - a world in movement, apparently capricious, elusive, and understood only in fragments. Mind seeks to act on such a world. To gain a measure of success, it must do so in awareness not only of its own severe shortcomings but also of the characteristics of the situation it wishes to transform and of which it is a part itself.*

THE EXPERTS DISAGREE

The conventional planning wisdom in Venezuela has supported diversification of urban growth and decentralization of the country's population and economic patterns. The example of Guayana, with its concentration of heavy national investment in a regional development program, has inspired other regions, states, and cities to hope for similar nationally supported efforts. The spread of benefits and opportunities equally across a nation makes such a good political case that it is (if logically pursued) dangerous to a realistic regional development program, which recognizes the inevitability of differentials.

This has been challenged in a report to the Direccion de Planeamiento, Ministerio de Obras Publicas, on September 4, 1970. The report is the product of PADCO, a Washington based international consulting group specializing in urban development. The heart of the PADCO report states:

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* Friedmann, Ibid. p. 256.

> Considering that Venezuela still has only ten million inhabitants and that Caracas is already a very large and highly differentiated city, with a very considerable attracting power upon the rest of the nation, planning for very large population centers in other parts of Venezuela is presently not a meaningful economic proposition. The situation may have changed by the year 2000 but one should not now make heavy commitments of high alternative use value in these other regions. Population centers are emphasized because, as indicated above, capital investments--in processing and shipping facilities and in heavy machinery at Maracaibo, in Ciudad Guayana, etc.--should continue to have the highest priority. But heavy investments in infrastructure in these regions--in housing, streets, and various public facilities--involve very substantial risks of creating 'sunk costs' which in turn might inhibit desired mobility of people and other resources. In the sense of being able to provide jobs, rising incomes, stimulating and interesting environments, for very large numbers of 'seekers,' none of the mentioned places is presently an 'economic base.' This raises the question of the worthwhileness of the major costs associated with such centers as Ciudad Guayana, both in the opportunity costs of the substantial infrastructure and the dislocation and other costs for the migrants seeking but not finding employment. *

The PADCO document is written principally in economic terms, but also deals with such social needs as education and

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* PADCO. Preliminary Analysis of Planning and Information System Needs for Direccion de Planeamiento, Ministerio de Obras Publicas. Caracas, PADCO. September 4, 1970. p. 18. The report is transmitted by John D. Herbert, Senior Vice President of PADCO, and its economic arguments are carried forward by one of its authors, Roland Artle, in a paper "Urbanization and Economic Growth in Venezuela", Working paper No. 135. Berkeley Center for Planning and Development Research, University of California. October 1970.

employment opportunities. It recognizes that environmental constraints, which it calls "neighborhood effects," increase as population densities increase, and it recognizes also that economic efficiencies must be balanced against social equities. It is "revisionist" in its views on urbanization in the developing countries, arguing that a number of aspects of urbanization are often misinterpreted:

> The 'low productivity' employment in services in major centers, conditions in rancho areas, the intensive use of land and other features of urban development often are regarded as bad as a result of mistaken interpretation through the eyes of upper and middle-class observers. For the street vender and the ranchero, the opportunities for higher incomes, education and richness of experience are far greater in Caracas than in the rural areas and small centers from which they came. The move to the city is in part a push from desperate conditions elsewhere but largely a pull forward to genuinely greater opportunities. The increasing variety of tertiary activities, even though they yield wages far below those considered acceptable in the relatively developed countries, are a reflection of the increased specialization associated with urbanization.

It is strong in its position to the point of sledgehammer repetition.

> In Venezuela's immediate future, the processes of growth and modernization can be supported much more productively in both social and economic terms through programs focused on the major centers than they can be through programs aimed at dispersed investment and settlement....For Venezuela as a whole, growth can be accelerated most effectively through concentrated urban growth.*

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* PADCO, Ibid., p. iii.

THE CARACAS MEGALOPOLIS

The metropolitan city which the PADCO report sees as the logical area for concentration of Venezuela's urban population has already reached a population of more than two million, or 20 per cent of the national population. It has the qualities of a megalopolis in that the cities of Maracay and Valencia, which Friedmann as recently as 1966 saw as "an emergent" element in a bipolar urban region, are now--in our judgment--well within the zone of influence of Caracas and are assuming the character of urban growth points satellite to the Caracas center. The Maracay-Valencia-Puerto Cabello complex now has more than 500,000 people. A large satellite city at El Tuy, southeast of Caracas, is proposed, and its planning is based upon an expected population of 250,000.

The Caracas megalopolis will include the city proper, Marinda, Aragua, and Carabobo. Their combined area is 8,769 square miles* (2.6 per cent of Venezuela's 352,150 square miles. The 1971 census returns will give accurate figures. The area will probably contain more than 30 per cent of the country's total population. It is not yet one continuous urban mass. Much of the area is mountain, some of it is lake, and the intra-montane valleys have

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* Compare with New Jersey's area of 7,856 square miles, and population of more than seven million.

rich farm lands. But the highway linkages are sucn, and with them the economic and financial links, that the area will be a dominant urban center of a size and strength that could not have been predicted only one generation ago.

In 1926 Caracas had only 167,941 people. In 1941, the population had grown to only 354,138. (It is said that Juan Vicente Gomez who ruled Venezuela from 1908 until his death in 1935 did not like Caracas and favored Maracay, which is still a military center.) But by 1950, Caracas had grown to 693,896, and by 1961 to 1,336,464. As noted, its present population is more than two million. During the period 1951--64, its percentage of increase was 125.8, placing it fifth in rate of growth among all the world's cities with more than one million people.*

We are uncomfortable with Caracas and uncertain of our judgments. The oil company advertisements which are placed internationally describe it as a second Manhattan. Friedmann says it is a "futuristic" metropolis. The Encyclopaedia Britannica says it is "a model of city planning."

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* Miles, Simon R. Metropolitan Problems. Toronto, Methun Pub., 1970. Table 1-4, p. 17. The same table puts Bogota in first place and Lima in second position.

Every commentator sooner or later contrasts the gleaming opulence of Caracas' new office buildings and its luxury apartments with the poverty areas called ranchos which climb its hills and which hold 23 per cent of its inhabitants. We believe that Lewis Mumford would call the city, as indeed he does Manhattan, "standardized chaos" and its expressway system "urban devastation."*

Obviously, many billions of dollars have been invested in the growth of Caracas in the last 25 years. The increase in land values must have brought billions in development increment to its owners. The system of parkways and expressways, typical of the American freeway excesses of the 1950s in its disregard for urban values, dominates the city visually and to us, at least, most disturbingly. Nor does it appear to solve the city's traffic and transportation problems. The traffic moves slowly at peak hours, as might be expected, and a study for a

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* Mumford comments that "with motorways as with the building of skyscrapers, we find superb technical skill in mechanical organization and practical design united to paralysing social incompetence and cultural illiteracy." He argues in The City in History that "currently, the most popular and effective means of destroying a city is the introduction of multiple-lane expressways, especially elevated ones, into the central core." The book was originally published in 1961. The quotations are from the Pelican edition, 1966, Graphic Section Three, Plate 46-47.

subway system is in progress.

The city is dominated too by its high rise buildings--glittering complexes such as the Plaza Bolivar, ingeniously built on air rights over a major highway; office buildings more conventionally sited; apartment towers and apartment slabs. It is indeed very American, very modern, and to us, very nouveau riche--not in the sense that its display is necessarily vulgar in detail for its buildings individually are as good as those which are usually found in the world's cities, but in the sense that it has all come too fast and too easily. An influx of money, and energy, and engineering and construction skills have built in Caracas a city which seems too shiny, too slick, too much on the move, too separated from its past. It might well be, however, that if one is in the higher income brackets, it is a very pleasant place in which to live. But to us it seems one more instance where the resources and the opportunity were there, but in the thrust of the American "way of life," a chance to build a great city on a magnificent site has been forever lost.

We must state that this is an impression only. To make it a final judgment, we should know much more about Caracas than we do. But the impression lingers, and it causes us concern for the shape of urban life and the form and function of cities in those developing countries which

are fortunate enough to be above the poverty level and be able to afford what their own demands and what world culture now calls "the best."

As to the ranchos, we would for the moment put aside all of their sociological implications and express concern for their impact on the ecology of Caracas. Building on steep slopes can be done in an urban system (as witness San Francisco), but it is expensive and it can be dangerous. Settlements such as the ranchos are one characteristic of urban growth in South America* but we are concerned that their slope location in Caracas destroys the wooded lands that should be part of the cityscape and creates dangers of erosion and slides which will menace the settlements themselves. Lima is rainless so the problem does not arise there. Bogota has a policy, not fully effective but a policy nonetheless, of preventing settlement on its adjacent mountains by refusing to bring water above a certain demarked level. We would hope that the new development plan for the Federal District of Caracas, now in final preparation, will deal with this issue.

We were able to see both Marcay and Valencia very

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* See the Survey reports Urbanization in Peru and Urbanization in Colombia for a fuller discussion of transitional urban settlements.

hurriedly. They are now connected to Caracas by a limited access highway, which in a real sense makes them satellite cities. The highway, as limited access roads must, by-passes the settlements that lie between the cities and is therefore deceptive as to the urbanization that is taking place. Valencia has a very successful industrial park with an impressive series of factories. Maracay has military installations on one side of the through highway and an industrial zone on the other; we were not able to form a judgment as to the urban quality of what lies between them. Maracay has the reputation of being a flower-bedecked garden city; we hope it is so. For nothing that we saw in Venezuela indicated a great concern for urban charm, urban character, or urban beauty. And we have been told that Maracaibo, which we were not able to see, falls below rather than above the Venezuelan urban standard.

THE OTHER URBAN CENTERS

With Ciudad Guayana and the Caracas urban complex, we have dealt--admittedly briefly--with four of the eleven Venezuelan cities of more than 100,000 people. And in discussing the regional development of eastern Venezuela, we mentioned Friedmann's prediction that Barcelona-Puerto La Cruz and Maturin would become important population centers and

development points. The 1967 population of Barcelona-Puerto La Cruz was estimated at 250,000; Maturin's was estimated at 112,000.

The second city of Venezuela is Maracaibo. It had an estimated 1970 population of 647,000 and is expected to approach one million by 1980. It is the capital of the state of Zulia, where a vigorous regional planning development effort is in progress. The state of Falcon, across Lake Maracaibo, would necessarily be included in any regional plan for the Lake area. Its towns are straggling ones, with Coro the most important center. This is Venezuela's oil producing area par excellence, and one would expect its residents to demand a greater return in development and infrastructure than they have so far received. Political and "equity" pressures make it difficult to apply such purely rational analysis as is suggested in the PADCO report.

Barquisimeto competes with Valencia in the rank order of Venezuelan cities, and the two of them have been in the first four for half a century--after Caracas and Maracaibo. Barquisimeto is on the main road between Caracas and Maracaibo. It is an important trade center, and serves one of the most rapidly expanding agricultural regions in the country. Its 1967 population was estimated at 288,000.

San Cristobal is on the Andean periphery, a border city close to Cucuta in Colombia. It is possible that its border location will be important in the future, if international relations permit Venezuela's "high income" economy to play something of the same role against Colombia's "low income" economy as the United States does with Mexico. San Cristobal had an estimated population of 183,000 in 1967. The Andean area is considered underdeveloped although, paradoxically, the country has been governed for more than half of the twentieth century by dictators who came from the Andean state of Tachira. A Study Commission for the Andes was active in the early 1960s; it would be interesting to know if it has survived, and in what form.

FUNDACOMUN--A UNIQUE INSTITUTION

Government in Venezuela is administered through the departments and special agencies of the central government at Caracas, through 20 states, three territories and the Federal District of Caracas, and through 168 distritos, which are similar to American counties. Local self-government is guaranteed under the 1961 Constitution and the guarantee is honored in actual practice. It would be pleasant to report that the local governments are therefore independent, well-organized, well-staffed public bodies but it would not be true. One of the country's

major needs is thought to be the improvement of its municipal governments and the augmentation of their resources in skills and money, which is the function of FUNDACOMUN. The acronym stands for the Fundacion para el Desarrollo de la Comunidad y Fomento Municipal (The Foundation for Community Development and Municipal Improvement). It was established by decree of Venezuela's reforming president, Romulo Betancourt, in 1962. The president of FUNDACOMUN and its executive secretary are named by the President and are removable at his pleasure, as are the seven members of its board of directors and their alternates. The agency is financed by appropriations from the national budget, but has been assisted by substantial loans and grants from international agencies.

FUNDACOMUN's mission is to increase the capacity of local governments to deal with the financial, legal and administrative issues which accompany the growth and development of cities; to provide capital assistance to improve the urban environment; and to promote and encourage community development activities which will strengthen cooperative action at the local level.

The agency operates from four centers: Puerto la Cruz for the East, Barquisimeto for the West-Central Zone, Caracas for the capital region, and Merida for the Andean region. It accepts what it calls the national commitment

to regionalization as "wholesome" and cites its own decentralization as evidence of its support.

The most measurable activity of FUNDACOMUN is its program of matching grants to the municipalities for the construction of useful public works. It operates on a 60--40 basis, i.e., for every 60 bolivars which come from FUNDACOMUN, the local agency must be prepared to supply 40. FUNDACOMUN had by 1970 put $68,000,000 into the programs of local governments and authorities, which, with the addition of local contributions, financed a program in which total expenditures came to $104,000,000. The projects were many and various: public markets, passenger terminals for bus services, water and sewerage projects, abattoirs, the purchase of refuse collection equipment and housing. FUNDACOMUN programs financed the construction of 19,519 housing units.* The index of repayment of FUNDACOMUN loans is not altogether reassuring; repayment schedules are in arrears in 37 per cent of the loan programs.

FUNDACOMUN has recognized that the municipal bodies are not getting the tax revenues to which they are entitled.

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* FUNDACOMUN. Al Servicio del Municipio Venezolano. Caracas, FUNDACOMUN. November 1970. p. 16.

To aid them in increasing their revenues, it began a major program of financing and providing technical assistance to cadastral surveys (designation and reassessment of real properties). FUNDACOMUN has invested about one million dollars in the nuts-and-bolts of public finance as represented in a proper registration of properties for tax purposes. And with good results. In representative cases, total municipal revenue can be expected to at least double through the systematic recording of all urban real estate. Two cases are cited in the "Final Report" submitted by the Institute of Public Administration on the "Technical Aid to Fundacion para el Desarrollo de la Comunidad y Fomento Municipal (FUNDACOMUN)," covering the period of Ford Foundation--I.P.A. assistance to the agency. To quote briefly from it:

> In the case of the Puerto La Cruz municipality, income from property taxation actually declined from Bs 417,177 in 1964 to Bs. 270,801 in 1966. Then in 1966, with a loan from FUNDACOMUN and technical assistance from IPA consultant Robert Huck, the Puerto La Cruz municipal council initiated a cadastre program which has in one year more than quadrupled property taxes from Bs. 270,801 to Bs. 1,214,643. In 1968, property taxation was estimated to account for 17 per cent of municipal revenues as opposed to four per cent in 1966.
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> The FUNDACOMUN cadastre program in Valera helped double property tax income from Bs. 112,647 in 1964 to approximately Bs. 230,000 in 1968.*

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* "Bs" are bolivars, which is Venezuela's unit of currency. The 1971 rate of exchange was 4.5 bolivars to the U.S. dollar.

> It is evident that municipal officials in Venezuela are interested in establishing systems of local taxation for increasing the capacity of local government to perform more effectively. Practically every municipality over 20,000 has initiated a cadastre program with the aid of FUNDACOMUN, has such a program under active consideration, or has begun its own program of independent assistance from FUNDACOMUN.

The technical assistance program which FUNDACOMUN renders to Venezuelan municipalities is divided into seven sub-programs:

1. Municipal public services, concerned with the organization and administration of service functions which are the obligations of local government. Preference is given, FUNDACOMUN says, to refuse collection, public transportation and slaughter houses.
2. Legal assistance, whose purpose is to procure competent legal instruments for the municipalities, offering legal assistance to the municipal councils which require it, and providing legal training programs for municipal personnel.
3. Fiscal administration. FUNDACOMUN prepares technical manuals and other instructional material, and offers courses and seminars for training municipal personnel.
4. Urban planning. The FUNDACOMUN unit promotes the organization of local planning bodies, renders

technical assistance in the field, and has the stated objective of seeing the municipality through the stages of initial procedures, installation of the planning office, the preparation of work programs, and the training of personnel.

5. Urban cadastral surveys. This has been described above.
6. Training and preparation. This unit is for general instruction and in-service training of municipal officials in the scope of their tasks and methods of administration.
7. Economic orientation section. This is the latest unit to be set up in FUNDACOMUN's technical assistance service. It is to "orient municipal councils as to the economic activities which would best suit the resources of their community and its area, advise the councils in selecting appropriate mechanisms for industrial promotion; guide the councils in their relationships with regional and national development agencies, gather sufficient economic information as to each of the country's districts so as to form a 'municipal information bank,' and as to a catch-all, to perform any other function related

to the municipal economic aspect.*

FUNDACOMUN's community action programs are less well-defined than its work in project promotion and financing, or in technical assistance in municipal planning, administration, and management. It collaborates, it is stated, "in the training of technicians for community development operating in the field of municipal officials and employees, promotors, leaders, and local foundations;" assists the "promotion of and helps cooperatives at the marginal community level;" stimulates the "creation of research and experimental centers for projects related to community development;" and maintains sub-programs for "self-constructed housing, schools and community centers....residential (barrio) sector improvement, etc."

FUNDACOMUN says that "in defining these Community Action Programs one whould keep in mind that the point of departure is the man in his community and where the two meet is the Municipality. One must also take into consideration that the material results are not the object, but rather the better means of developing and promoting a change in indispensable attitudes for the communities' participation in the integral development process."**

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* FUNDACOMUN. "The Institution Building Practices of FUNDACOMUN". A mimeographed publication in English. Caracas, FUNDACOMUN. N.D. p. 5.

** FUNDACOMUN. "The Institution Building Practices of FUNDACOMUN." Ibid., p.6.

FUNDACOMUN participates in the execution of the National Housing Plan.

It is the directing agency in the VEN-18 project, which is a major effort to train municipal officials. The project receives support from the United Nations Development Program-Special Fund which is contributing $637,000. VEN-18 began in 1968 and is to extend into 1973. The Government of Venezuela will contribute $3,300,000 dollars. The project anticipates training 4,000 municipal officials in Venezuela and provides for 32 foreign study fellowships for professionals in subjects of municipal interest and service. Advisers supplied by the U.N. serve with FUNDACOMUN in its Caracas headquarters and in its regional offices.

FUNDACOMUN has been the recipient of other international assistance, and in substantial amount. Shortly after its organization, it received a loan of $30,000,000 from USAID, which has now been wholly (only $100,000 remain unexpended) paid out by the American agency and put to use by FUNDACOMUN.

THE INTERNATIONAL AGENCIES IN VENEZUELA

In our discussion of FUNDACOMUN, we pointed out that it

had been and is a beneficiary of international financing and technical assistance. Other agencies which have drawn upon international sources for support are CORDIPLAN, the national planning agency; the country's housing programs; and the agencies responsible for urban infrastructure.

A United Nationa Development Program--Special Fund team is assisting CORDIPLAN in its regional planning responsibilities, helping to establish a spatial framework for investment recommendations. The team is drawn from several agencies within the United Nations family. The Center for Housing, Building and Planning recruited the physical planners who are assigned to CORDIPLAN, and other United Nations agencies have supplied urban sociologists, traffic and transportation planners, and regional economists. The plan of operations for the project has two major components: a nation-wide analysis of development patterns leading to the identification of reasonable regional boundaries, and the projection of a legal and administrative framework which would transfer planning for public investment from a sectoral to a spatial basis. Eight planning regions were identified on a Presidential Decree of June 11, 1969 (Decreto Numero 72 of President Caldera) "in consideration of the need to spur regional development in an accelerated and harmonious manner." The Fourth National Development Plan, which covers the period from 1970 into

1974, is, however, organized on traditional sectoral bases.

In the housing sector, USAID assisted in the formation of Venezuela's savings and loan system with a seed money loan of $10,000,000. The Venezuelan Government has contributed $25,000,000 to the system, which now has 26 member associations and 46,000 depositors. The National League of Insured Savings Associations, an American organization, provided short-term consultant service to the program under USAID grant. USAID also employed the Foundation for Cooperative Housing to do a feasibility study for a program aimed at strengthening cooperative housing groups and to develop a manual for the management of housing cooperatives. This assistance was directed to the Banco Obero and the Venezuelan Cooperative Housing Institute (INVICA) which is a non-profit technical service organization operating in and around Caracas.

The Inter-American Development Bank (IDB) has made housing loans in Venezuela which total $32,000,000. One $10,000,000 loan was in support of a program which built 5,700 units in Caracas and other major cities; the rest of the financing was primarily for rural housing. IDB made a loan to the Government of Venezuela of $10,000,000 which is being used to install water supply systems in 59 small cities with populations ranging from

5,000 to 10,000, and has provided loan funds totaling $6,000,000 for the expansion of Maracaibo's public water supply. Additional loans totaling $17,000,000 have been made to the Instituto Nacional de Obras Sanitarias for the expansion of water supply systems in Cumana, Puerto Cabello, and Ciudad Guayana, and for the installation of sewerage systems in Maracaibo.

The World Bank has been asked to finance a metro system for Caracas, which has been under study at the Federal District's planning office and at CORDIPLAN. The underground transportation system appears as a line item in the Fourth National Development Plan. To date, the Bank has sent an evaluative mission to Caracas but has made no commitment to finance the project.

Foreign consultants in urban planning have included MIT's Joint Center for Urban Studies, Harvard for Guyana and the British planning firm headed by Lord Llewelyn Davies which is planning several proposed new towns in metropolitan Caracas and in the Maracaibo area.

RESOURCES AND PEOPLE

Venezuela is a fortunate country in that its ratio of people to resources and of people to space is highly favorable. It has a dynamic economy, based for the present upon the income flow from its oil industry but capable of

expansion by the investment of a portion of that income in the development of the country's natural resources and in the advancement of the productivity of its people. Venezuela's national budget for 1969 projected revenues from the oil industry of approximately one billion, three hundred million dollars.* That was to the government alone, which thus drew income from oil that came to about 130 dollars for each person to whom it was to render service. The governmental income does not, of course, include the additional contribution which the industry made in payments for material, wages, and services to the general economy.

As we have seen in our discussion of Guayana, the Government of Venezuela is using a portion of its oil income to invest in the development of other natural resources such as hydropower and iron ore, so that the economic base of the country may be diversified against the inevitable day when oil revenues begin to drop. Publicly as well as privately the country is investing heavily in the infrastructure of metropolitan Caracas, where its consumption-directed manufacturing, service skills, and administrative direction are concentrated.

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* Europe Yearbook 1970, Vol. II. London, Europa Publications Ltd., 1970. p. 1629.

The World Bank mission, in a 1961 report on Venezuela stated:

> Venezuela is a richly endowed country. Its geographical position and the variety of its internal geography lend it strength. Its great mineral wealth is already known....Its hydroelectric and thermal power is immense. But these natural assets would amount to little if Venezuela did not have the leadership and dynamism necessary to put them to effective use.
>
> In the final analysis, the human factor is the one that will determine the country's future....But in her struggle to become a modern industrial nation and a true democracy, Venezuela has indeed enviable assets. She has exceptional resources and she belongs to a continent which, turbulent as it may have been, has so far been spared the storms of major conflicts. It has been said that 'Venezuela's history is in the future.' To a large extent, the Venezuelan people have this rarest of privileges--to hold their future in their own hands.*

In their prospectus of the future, Kahn and Weiner** raise the possibility that by the year 2000, Venezuela will be a part of the "developed world," transferring it from South America and associating it with the fully developed countries which (by that time) will have made enormous

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* IBRD. The Economic Development of Venezuela. Baltimore, The Johns Hopkins Press, 1961. p. 10.

** Kahn, Herman and Anthony J. Weiner. The Year 2000. New York: Macmillan, 1967. p. 141.

It is reasonable, we would think, to believe that Venezuela can use its resources to achieve what a majority of the country's people will regard as a good society.

Its oil revenues in a "surprise-free" world will be a major source of capital for some decades to come. It has both time and money to install its infrastructure, educate its people, plan its metropolitan and regional growth, and adapt its population to the production-consumption patterns which are being shaped in the social and economic patterns of the developed countries. Its numbers are manageble. With ten million people in an area of 352,000 square miles it is not overcrowded: the United States, including Alaska, has reached a density of more than 56 to the square mile and the Netherlands has reached 1,000. If Venezuela does hold a population of 28 million in the year 2000, a national overall density of 80 to a square mile would not seem intolerable in a country which had succeeded in rationalizing its agriculture and distributing its urban population in a pattern of urban centers in which the present dominance of the Caracas megalopolis would be diluted but not destroyed.

There are some necessary "ifs" in this projection.

Venezuela's wealth has not come to it via the hard way of slow development of skills and resources

over generations; it has been given to it by a stroke of luck and by a combination of foreign technology and foreign markets. If it is able to free itself of economic dependency (as it can do if the world demand for energy continues to give the oil producing countries a seller's market), it may still continue to have a technological and cultural dependency which show themselves in the urban form which Caracas, the country's center, has assumed. It will not be easy for it to avoid the environmental risks and assignment of consumer priorities which are now recognized--although as yet uncorrected--in the developed countries.

It will have, also, the problem of merging the "modern" and the "marginal" sectors of its population fast enough to meet the expectations of the latter and maintain a pace which will not dissipate its investment resources (upon which the country's ultimate prosperity depends) in an immediate "fair shares for all" program. Such a program, politically attractive but possibly economically destructive, would consume its oil revenues before it had an opportunity to build its future economy, or would make that future economy non-competitive in the world's markets where Venezuela must someday trade.

Other "ifs" are its place as the "rich" country with poor neighbors, its willingness to accept skilled immigrants and immigrants necessary to relieve temporary labor shortages, its terms of trade and the character of its relationship with bordering countries with whom it has traditional boundary disputes, and above all, the willingness of its society to accept a consensus as to the social order and the contributions which individuals, according to their abilities, may make to that consensus.